

## APPENDIX H

JOINT FINANCING AGREEMENT  
BETWEEN CITY OF BEAUMONT COMMUNITY  
FACILITIES DISTRICT NO. 93-1 AND  
BEAUMONT-CHERRY VALLEY WATER DISTRICT

THIS JOINT FINANCING AGREEMENT (the "Agreement") is made and entered into as of June 29, 1993 by and between the CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 93-1, a legally constituted governmental entity organized and existing pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code (hereinafter "CFD No. 93-1") and BEAUMONT-CHERRY VALLEY WATER DISTRICT, a public agency organized and existing pursuant to Division 11 (commencing with Section 20500) of the California Water Code (hereinafter "BCVWD").

R E C I T A L S

A. Owners of property within the proposed boundaries of CFD No. 93-1 (hereinafter the "Property Owners") initiated by written petition and thereafter the City Council (hereinafter the "City Council") of the City of Beaumont (hereinafter the "City"), by adoption of Resolution No. 1993-06 on February 22, 1993 (hereinafter the "Resolution of Intention"), initiated proceedings for the formation of CFD No. 93-1, the boundary map of which is attached hereto, marked as Exhibit "A" and incorporated herein, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Section 53311 *et seq.* of the California Government Code (hereinafter the "Act"), to provide financing for the construction and acquisition of certain public facilities described in the Resolution of Intention (hereinafter the "Facilities"), which include the construction of certain potable and reclaimed water facilities to be owned and operated by BCVWD (the "BCVWD Facilities").

B. The facilities to be financed by the first series of special tax bonds (hereinafter the "Series 1993A Facilities") are as depicted and enumerated in Exhibit "B," which is attached hereto and incorporated herein. The balance of the Facilities are proposed to be constructed in the future and financed with subsequent series of special tax bonds of CFD No. 93-1.

C. The proceedings to establish CFD No. 93-1 include a special election wherein the qualified electors of CFD No. 93-1 are required to authorize any bonded indebtedness to be issued and to authorize the annual levy of a special tax (hereinafter the "Special Tax") within CFD No. 93-1 to fund debt service on bonded indebtedness incurred.

D. CFD No. 93-1 presently anticipates the issuance and sale of its Series 1993A Bonds in the principal amount of approximately \$20,000,000 in September of 1993 (the "Series 1993A Bonds"). The proceeds of the Series 1993A Bonds, or a subsequent series of bonds, may be used, in part, to construct a portion of the BCVWD Facilities on behalf of BCVWD, as provided in this Agreement.

E. CFD No. 93-1 and BCVWD desire to enter into this Agreement pursuant to Section 53316.2, 53316.4 and 53316.6 of the Act.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties agree as follows.

## A G R E E M E N T

1. Sale of the Series 1993A Bonds and Use of the Proceeds. CFD No. 93-1 will proceed with the issuance and sale of the Series 1993A Bonds and any subsequent series of bonds at such time and in such amount as CFD No. 93-1, in its sole discretion, may determine is appropriate. The proceeds of the Series 1993A Bonds will be used, in part, to construct, on behalf of BCVWD, the BCVWD Facilities for the estimated dollar amounts shown in Section C of Exhibit "B" hereto. Additional BCVWD Facilities are proposed to be financed by subsequent series of bonds to be sold by CFD No. 93-1. Prior to the authorization of each subsequent series of bonds a separate exhibit and amendment to the Agreement will be entered into by the parties hereto, with respect to such additional BCVWD Facilities. CFD No. 93-1 shall make disbursements out of the proceeds of the Series 1993A Bonds to pay such costs and certain other incidental costs as hereinafter described. Such proceeds, however, may be expended by CFD No. 93-1 for any lawful purpose, including the financing of Facilities (other than the Series 1993A Facilities) required to serve land within CFD No. 93-1 and in accordance with the BCVWD Master Facility Plan. However, no such diversion shall occur with respect to the BCVWD Facilities without the consent of BCVWD. CFD No. 93-1 shall strictly account for the disbursements of the proceeds of the Series 1993A Bonds. The proceeds of any special tax levied by CFD No. 93-1 shall be utilized exclusively by CFD No. 93-1 for debt service, administration and services as provided in the proceedings establishing CFD No. 93-1 in accordance with Section 53316.6 of the Act.

2. Design and Construction of the BCVWD Facilities. Improvement Plans for the BCVWD Facilities are to be prepared by registered and licensed civil engineers retained by BCVWD or CFD No. 93-1, consistent with the procedures and policies of BCVWD and as set forth in this Agreement. The costs of the design and construction of said facilities, including the administrative and legal costs, shall be paid by CFD

No. 93-1 pursuant to a payment request from the proceeds of the sale of the special tax bonds up to the budgeted amount listed in Exhibit "B" in accordance with this Agreement. All contracts for the BCVWD Facilities shall be awarded and administered by the City in accordance with Section 8 hereto, as public works projects consistent with the applicable sections of the California Public Contract Code, Labor Code, Civil Code and Government Code. The contractor or contractors who will construct the BCVWD Facilities, or any portion thereof, shall be required to provide performance and payment bonds, each in a principal amount equal to 125% of the contract price plus 20% contingency and naming both BCVWD and CFD No. 93-1 as obligees. Said contractor or contractors shall also be required to name CFD No. 93-1 and BCVWD, and the employees, officers, directors, agents and consultants of each as additional insureds under a policy of general liability insurance in the amount of Two Million Dollars (\$2,000,000) per occurrence. The bid and contract documents shall include the bond and insurance requirements as set forth herein or as determined by mutual agreement of CFD No. 93-1 and BCVWD at the time of advertising for bids and said requirements shall not be less than those stated above. The parties acknowledge that design and engineering costs of the BCVWD Facilities may be paid by the City or BCVWD from deposits made by property owners or developers within CFD No. 93-1 in contemplation of reimbursement according to Section 4 below from the proceeds of the Series 1993A Bonds. CFD No. 93-1 agrees to reimburse the Property Owners for eligible costs from deposits made from the proceeds of the sale of the Series 1993A Bonds.

3. Design and Construction Budget of the BCVWD Facilities. Section C of Exhibit "B" sets forth the budget for the design, engineering and construction of the BCVWD Facilities. In addition to the cost of engineering and design, specification and bid preparation, and the construction of the BCVWD Facilities, such costs may include, without limitation, the estimated costs of permits, licenses, easements, land, engineering, inspection and legal fees, construction contingency and a share of the general and administrative costs of BCVWD, CFD No. 93-1 and the City reasonably devoted to the design, approval and inspection of the BCVWD Facilities.

4. Engineering and Design of the BCVWD Facilities. BCVWD, with the agreement of CFD No. 93-1, shall retain such qualified consultants, including properly qualified registered civil engineers (hereinafter these engineers may individually or collectively be referred to as the "Design Engineer") to design and prepare detailed bid documents, construction plans and specifications (hereinafter the "Bid Documents") for the BCVWD Facilities, including required system layout drawings and construction plan-profile drawings, in accordance with BCVWD's standard design criteria. The Bid Documents shall be submitted along with required plan check deposits and will be reviewed and approved (or rejected) within a reasonable period following their submission. Upon final approval of said plans by

BCVWD and the City, CFD No. 93-1 shall prepare and submit a Payment Request Form as provided by the Fiscal Agent Agreement entered into by the City and the Fiscal Agent designated for CFD No. 93-1 (hereinafter the "Fiscal Agent Agreement") for payment of all reasonable costs incurred by BCVWD or the City, including reimbursements to Property Owners, for engineering, design and plan preparation for said facilities as approved by the City. CFD No. 93-1 shall reimburse to BCVWD or the City from the proceeds of the sale of the Series 1993A Bonds such amounts as are necessary to pay the reasonable administration costs of BCVWD or the City incurred in the design and plan check process.

5. State Highway, County Road and City Street Construction, Operation and Maintenance Permits for the BCVWD Facilities. For those portions, if any, of the BCVWD Facilities which are to be constructed by CFD No. 93-1 within a County road, City street and/or state highway, at the expense of CFD No. 93-1, CFD No. 93-1 shall be responsible for obtaining a construction permit from the appropriate governmental agency covering the construction and installation of the BCVWD Facilities. At the time such construction permit is obtained by CFD No. 93-1, the appropriate governmental agency will have issued an Operate and Maintain Permit to BCVWD, which will become effective upon the completion of said BCVWD Facilities and acceptance of the ownership thereof by BCVWD.

6. Construction Responsibility. BCVWD hereby acknowledges that the City Manager of the City, or her designee, shall serve as the Contract Administrator (hereinafter the "Contract Administrator"). The Contract Administrator shall be responsible for soliciting bids and awarding contracts for the BCVWD Facilities in accordance with the terms and conditions described in this Agreement; provided, however, that such responsibility may be delegated to a consultant or consultants as deemed appropriate by the Contract Administrator. BCVWD, through its Field Inspector (hereinafter defined in Section 10), shall be responsible for inspection and approval of placement of the pipe and compaction of backfill during construction of the BCVWD Facilities. The Contract Administrator is to work with the City Department of Building and Safety, BCVWD and the Field Inspector to insure that all inspections are performed in a timely manner. The Contract Administrator may perform his/her responsibilities for coordination of construction contracts and notification of inspections through a "Resident Engineer."

7. Preliminary Coordination Meeting. The Contract Administrator, Design Engineer, Resident Engineer, and representatives from BCVWD shall meet for purposes hereinafter set forth, upon the written request of CFD No. 93-1 (hereinafter the "Preliminary Coordination Meeting"). At the Preliminary Coordination Meeting the schedule for construction of the BCVWD Facilities and inspection approvals will be mutually determined by the parties. It is the intent of the parties to mutually agree

to the sequence and timing of construction of the BCVWD Facilities in a manner calculated to not unduly delay progress in completion of the construction of the Facilities.

8. Solicitation of Bids. Prior to the offering of any BCVWD Facility for bid, the Contract Administrator shall, in consultation with representatives of BCVWD, determine whether the particular bid set will be offered by the City. The contract documents shall specify that construction must be performed in compliance with appropriate sections of the California Public Contract Code, Labor Code and Civil Code.

9. Bid Awards. On behalf of CFD No. 93-1, the Contract Administrator shall recommend to the City Council of the City that it award contracts for the BCVWD Facilities in compliance with the applicable sections of the California Public Contract Code, Labor Code and Civil Code. The BCVWD Facilities shall be constructed by a contractor or contractors licensed by the State of California (hereinafter the "Contractor"). Prior to the award of any bid for any BCVWD Facilities, CFD No. 93-1 shall determine that there are sufficient funds in the Construction Account (hereinafter the "Construction Account") established by the Fiscal Agent Agreement, or other funds of BCVWD, to cover the bid award for each Facility. No award of a contract for any BCVWD Facility shall be made unless funds, not otherwise committed, are available to cover the contract award, including a contingency amount equal to fifteen percent (15%) of the contract price and all costs of inspecting and administering said contract.

10. Construction of the Facilities.

(a) Preconstruction Meeting. Prior to the commencement of construction, the Contract Administrator shall schedule a meeting (hereinafter the "Preconstruction Meeting") among the Contractor(s), the Design Engineer, the Resident Engineer and the Field Inspector.

(b) Matters Submitted for Review and Approval. BCVWD will have final approval of all field design changes. All matters submitted to BCVWD during actual construction by the Contract Administrator, the Design Engineer, and/or the Resident Engineer for review and approval shall receive a timely response and no response shall exceed fifteen (15) working days from date of submission to BCVWD.

(c) Inspection. BCVWD will designate a field inspector (hereinafter the "Field Inspector") who will be responsible for inspecting construction of the BCVWD Facilities consistent with Section 15 of this Agreement and will be responsible for

reviewing and concurring in all Payment Request Forms with regard to the BCVWD Facilities.

(d) Payment. CFD No. 93-1 shall make payments for completed work, less retentions, in accordance with the payment schedule determined at the Preconstruction Meeting. The payment schedule shall be consistent with the Bid Documents that will have been reviewed and approved by BCVWD and the budget figures indicated in Exhibit "B" hereto. Upon concurrence and sign-off by the Field Inspector of any such Payment Request Form, CFD No. 93-1 shall cause the Fiscal Agent to make payments in the requisite amount to those entities or individuals designated on the Payment Request Form consistent with the provisions of this Agreement.

11. Change Orders. All change orders regarding the BCVWD Facilities are to be reviewed by CFD No. 93-1 and approved in writing by the Contract Administrator and the Design Engineer. Change orders necessitated by site conditions shall be financed and paid for by CFD No. 93-1 upon confirmation that funds are available for such purposes or the water facilities shall be downsized to offset the shortfall. Sources of available funds shall be (a) contingency line item for water facilities; (b) other contingency amounts for completed facilities; (c) other grant or loan funds identified by the City or (d) contribution from affected Property Owner or developer.

12. Shortfall. In the event the lowest acceptable bids would cause the total cost provided in the budget for the BCVWD Facilities to exceed the budgeted amount indicated in Exhibit "B" hereto, CFD No. 93-1 shall notify and confer with BCVWD to determine the source of payment of such excess amounts prior to the award to the acceptable bidder. Such source shall be either (i) additional funds of CFD NO. 93-1 or (ii) the Landowners or Developers benefiting from the BCVWD Facilities which caused such budget overrun.

13. Use of Funds. CFD No. 93-1 shall use the amount in the Construction Account, as indicated in Exhibit "B" hereto, for the payment of the design and construction costs of the BCVWD Facilities. CFD No. 93-1 shall strictly account for the expenditure of such proceeds according to generally accepted accounting practices. It is the intention of the parties that payments from the Construction Account shall be made only in connection with a Payment Request Form for costs and expenses paid or incurred, including, without limitation, any amounts owing under any construction contract entered into for the BCVWD Facilities. CFD No. 93-1 shall account for, deposit, invest and reinvest such funds in the manner required by the Fiscal Agent Agreement.

14. Improvement Security. Any BCVWD Facility or portion thereof for which the Series 1993A Bonds have been sold shall not be the subject of a subdivision improvement bond or other security pursuant to Government Code Section 66499.

15. Inspection. Construction of the BCVWD Facilities shall be subject at all times to inspection by the Field Inspector, or his designated representative. The Field Inspector, or his designated representative, shall inspect the furnishing, construction and installation of said BCVWD Facilities to assure compliance with BCVWD's approved construction plans and specifications. During the planning process, BCVWD shall secure all encroachment permits necessary for the construction of the BCVWD Facilities, the cost of which permits shall be borne by CFD No. 93-1. Inspection shall be the responsibility of the Field Inspector and shall be done in a timely manner consistent with the approved schedule established at the Preconstruction Meeting. The Field Inspector shall have the authority to enforce the BCVWD approved construction plans and specifications for said BCVWD Facilities, which authority shall include the authority to require that any and all unacceptable materials, workmanship and/or installation be replaced, repaired or corrected. In addition, the contractor(s) shall be required under the approved construction specifications to repair any and all installed facilities which have been damaged by any party prior to BCVWD's final acceptance of said BCVWD Facilities for ownership, operation and maintenance, which final acceptance shall follow final inspection and testing of said BCVWD Facilities after completion thereof. Contractor(s) will be required to: (i) make the corrections and/or repairs determined by the Field Inspector to be necessary and consistent with the approved construction specifications, and (ii) provide a one (1) year materials and workmanship guarantee, the precise nature of which will be agreed upon by CFD No. 93-1 and BCVWD, providing that such Contractor(s) will repair, at its (their) expense, all failures of facilities which it (they) furnished, installed and/or constructed due to faulty materials or installation, including settlement of backfill within said one-year period.

16. Field Engineering Surveys and Compaction Tests. If deemed necessary by the Contract Administrator, a qualified engineering firm (hereinafter the "Field Engineer") shall be employed by the CFD No. 93-1 as a consultant, under the direction of the Contract Administrator, to provide all field engineering surveys associated with the construction of the BCVWD Facilities which are determined to be necessary by the Contract Administrator, Design Engineer, the Contractor(s) and/or the Field Inspector. The Field Engineer shall promptly furnish to CFD No. 93-1 and BCVWD a complete set of grade sheets listing all locations, offsets, etc., in accordance with good engineering practices, and attendant data and reports resulting from Field Engineer's engineering surveys and/or proposed facility design changes and allow CFD No. 93-1 and BCVWD sufficient time to approve or make any required facility design changes resulting therefrom prior to construction.



The cost of all compaction tests and report costs associated with BCVWD Facilities furnished and constructed by contractor(s) shall be included among the costs which are to be paid from the Construction Account. The Field Engineer shall promptly furnish results of all such compaction testing to CFD No. 93-1 and BCVWD for its review, evaluation and decision as to compliance with applicable specifications.

17. Completion of BCVWD Facilities. Upon completion of construction of any of the BCVWD Facilities listed in Exhibit "B" hereto, as determined by the Field Inspector, CFD No. 93-1 shall notify BCVWD in writing of such completion and shall prepare and cause the City Council of the City to accept and file the Notice of Completion as to such Facilities, record said Notice with the Office of the Recorder of the County of Riverside, State of California, and cause the Contractor and all subcontractors to provide lien and material releases.

18. Conveyance of Title. Title to the land or rights-of-way on and over property within CFD No. 93-1 on which the BCVWD Facilities have been or will be constructed shall be free of all liens and encumbrances, except easements and other matters of record that will not interfere with construction, use and maintenance of the BCVWD Facilities. The Property Owners and CFD No. 93-1, as appropriate, shall cause transfer of title to such land or rights-of-way on such documents as BCVWD may prescribe. It is anticipated that a substantial portion of the BCVWD Facilities have been or will be constructed within public streets and rights-of-way dedicated to the City and other public entities. Any easements granted to facilitate construction prior to such dedications shall provide that the easement right conveyed will expire upon dedication and acceptance of such area as a public right-of-way. As to portions of the BCVWD Facilities that have been or will be constructed on land that would otherwise remain in private ownership, the provisions of Section 19 of this Agreement shall control. It is anticipated that, depending on decisions made by CFD No. 93-1 and BCVWD with regard to BCVWD Facilities at the Preconstruction Meeting, such conveyances of land and easements are to be made prior to commencement of construction and that upon completion of construction such land and rights-of-way associated with said BCVWD Facilities will be conveyed to BCVWD.

In addition, upon completion of the BCVWD Facilities, and written acceptance thereof by BCVWD, CFD No. 93-1 or the Property Owners, as appropriate, shall execute and deliver, without any cost or expense to BCVWD, a Bill of Sale, in form and content acceptable to BCVWD and CFD No. 93-1, conveying all right, title and interest in and to all of the BCVWD Facilities. The Bill of Sale shall include a warranty by CFD No. 93-1 or the Property Owners, that such right, title and interest is free and clear of any and all encumbrances except those encumbrances that will not interfere with use and maintenance of the BCVWD Facilities.

19. Easements Involving Private Property. For those portions, if any, of the BCVWD Facilities which are to be constructed within and across private property, CFD No. 93-1 shall, before any such construction begins, obtain easement documents, which are satisfactory to BCVWD as to location, width, content and form, which have been duly executed by the involved property owners and which assure BCVWD's unequivocal right to own, operate, maintain, replace, repair and provide service from and through the involved BCVWD Facilities.

20. Acceptance. BCVWD agrees to accept title to, and provide service through, the BCVWD Facilities, subject to certification by BCVWD that such Facilities have been completed in accordance with the plans and specifications approved by BCVWD and provided that title to the BCVWD Facilities is free of all liens and encumbrances not otherwise acceptable to BCVWD. In this regard, it is specifically understood and agreed that BCVWD shall not be obligated to accept title or to operate and provide service through the BCVWD Facilities until satisfactory final inspection and testing thereof by the BCVWD has been completed and all easement and deed documents have been received by BCVWD.

21. Use of BCVWD Facilities. Upon conveyance of title to the BCVWD Facilities and acceptance of ownership, said BCVWD Facilities shall become and remain the sole and separate property of BCVWD and shall be operated, maintained and utilized by BCVWD to serve the territory within CFD No. 93-1 and other lands pursuant to applicable BCVWD rules, regulations, policies and procedures as they may be amended from time to time by BCVWD's Board of Directors and subject to BCVWD facility capacity and water supply limitations which result from conditions that are beyond BCVWD's control, including, but not limited to, applicable regulations and/or limitations established by Federal, State, regional and local agencies.

22. Oversized Facilities and Connection Fee Credits. It is understood by all parties to this Agreement, that the issues of oversizing of facilities and connection fee credits have been addressed in other agreements between the parties and will be addressed in agreements between BCVWD and the Property Owners participating in CFD No. 93-1. If necessary, the issue of oversizing will be reviewed in subsequent joint financing agreements when additional bonds are issued and sold by CFD No. 93-1 to pay for the construction of additional facilities to be owned and maintained by BCVWD.

23. Cooperative Agreement. The City and BCVWD have entered into a Cooperative Agreement (the "Cooperative Agreement") which addresses, inter alia, the facilities needs of BCVWD created by the development of land within CFD No. 93-1 and the financing of such facilities. The Cooperative Agreement provides several

financing alternatives available to developers, including utilization of CFD No. 93-1 as a financing mechanism for said facilities. The Cooperative Agreement also allows for mitigation agreements between BCVWD and the developers within CFD No. 93-1 which may provide an additional funding source for the BCVWD Facilities.

It is understood by all parties to this Agreement, that the issues relating to the amount and collection of school fees are addressed in other agreements between the parties and will be reviewed in subsequent joint financing agreements when additional bonds are issued and sold by CFD No. 93-1 to pay for the construction of additional facilities to be owned and maintained by the BCVWD.

24. Maintenance. Prior to the transfer of ownership of the BCVWD Facilities to be constructed by CFD No. 93-1, CFD No. 93-1 shall be responsible for their maintenance. Upon acceptance of the BCVWD Facilities by BCVWD, BCVWD shall be solely responsible for the maintenance thereof and all rights, duties and obligations of CFD No. 93-1 for said maintenance under this Agreement shall terminate.

25. Administrative Costs. All administrative costs related to the design, engineering, construction and inspection of the BCVWD Facilities of CFD No. 93-1, the City and BCVWD which include but are not limited to the reasonable cost of preparing the Bid Documents, all fees and costs incurred in obtaining permits, licenses, offsite rights-of-way or easements, inspection fees and land acquisition costs are provided for in Exhibit "B". The parties recognize the amount of such costs may increase in the future. Subject to the limitations of the budget indicated in Exhibit "B" hereto, CFD No. 93-1 shall cause to be paid from the Construction Account the reasonable administrative costs actually incurred by each party to this Agreement, up to the budgeted amount indicated in Exhibit "B" hereto.

26. No CEQA Approval. CFD No. 93-1 and BCVWD agree that before the construction of any new facilities may be approved, proceedings under the California Environmental Quality Act ("CEQA") to determine the environmental impact of the BCVWD Facilities must be conducted, and, based on that impact or lack thereof, determine if the BCVWD Facilities should be constructed. In entering into this Agreement, the parties acknowledge and agree that they have not prejudged the potential outcome of the CEQA proceedings, but are reaching accord in the event the plan to construct the BCVWD Facilities and related facilities receive CEQA approval.

27. No Obligations Assumed. Nothing herein shall be construed as requiring CFD No. 93-1 to issue or sell the Series 1993A Bonds or any subsequent series of bonds pursuant to the Act or any other law or regulation requiring the construction of the BCVWD Facilities.

28. Indemnification. CFD No. 93-1 shall assume the defense of, indemnify and hold harmless, BCVWD and its officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses and expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, (i) the actions of CFD No. 93-1 pursuant to this Agreement and (ii) the construction of the BCVWD Facilities by CFD No. 93-1; provided, however, that nothing in this paragraph shall limit, in any manner, BCVWD's rights against any of CFD No. 93-1's contractors. No provision of this Agreement shall in any way limit the extent of the responsibility of CFD No. 93-1 for payment of damages resulting from its own operations, including but not limited to the operations of any of its contractors, agents or employees.

CFD No. 93-1 hereby assures BCVWD that any and all contractors employed by it shall furnish to BCVWD certificates of insurance substantiating that they have obtained for the entire period of construction of any of the BCVWD Facilities a policy of workers' compensation insurance and a comprehensive general liability insurance policy with coverage broad enough to include the contractual obligations they have under the construction contract and having a combined single limit of liability in the amount of \$2,000,000. Said certificate of insurance shall include an endorsement naming the BCVWD, CFD No. 93-1, and the City, and their respective officers, employees and agents as additional insureds.

BCVWD shall assume the defense of, indemnify and hold harmless CFD No. 93-1 and their respective officers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses and expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, the actions of BCVWD taken in the performance of this Agreement. No provision of this Agreement shall in any way limit the extent of the responsibility of BCVWD for the payment of damages resulting from its own operations or the operations of any of its contractors, agents or employees.

BCVWD hereby assures CFD No. 93-1 that any and all contractors employed by it shall furnish to CFD No. 93-1 certificates of insurance substantiating that they have obtained for the entire period of construction of any of the BCVWD Facilities a policy of workers' compensation insurance and a comprehensive general liability insurance policy with coverage broad enough to include the contractual obligations they have under the construction contract and having a combined single limit of liability in the amount of \$2,000,000. Said certificate of insurance shall include an endorsement naming BCVWD, CFD No. 93-1, and the City, and their respective officers, employees and agents as additional insureds.

29. Effective Date and Termination. This Agreement shall become effective and of full force and effect as of the date (the "Effective Date") on which CFD No. 93-1 sells and issues the Series 1993A Bonds. Should CFD No. 93-1 be unable to sell the Series 1993A Bonds, this Agreement shall terminate and be of no further force and effect.

30. Notice. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party or other person shall be deemed to have been received when personally delivered or upon deposit of the same in the United States Post Office, registered or certified, postage prepaid, addressed as follows:

CFD No. 93-1:                      City of Beaumont  
   Community Facilities District No. 93-1  
   550 E. Sixth Street  
   P.O. Box 158  
   Beaumont, California 92223  
   Attn: City Manager  
   TEL (909) 845-1171  
   FAX (909) 845-8483

BCVWD:                                Beaumont Cherry Valley Water District  
   560 N. Magnolia Avenue  
   P.O. Box 2037  
   Beaumont, California 92223  
   Attn: General Manager  
   TEL (909) 845-9581  
   FAX (909) 845-0159

Each party may change its address for delivery of notice by delivering written notice of such change of address to the other parties within twenty (20) days of such change.

31. Captions. Captions to sections of the Agreement are for convenience purposes only and are not part of this Agreement.

32. Severability. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this Agreement and the remaining parts shall remain in full effect as though such invalid or unenforceable provision had not been a part of this Agreement.

33. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

34. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided herein.

35. Amendments. This Agreement may be amended or modified only in writing signed by each of the parties.

36. Exhibits. The following exhibits attached hereto are incorporated into this Agreement by reference.

<u>Exhibit</u>	<u>Description</u>
"A"	Boundary Map of CFD No. 93-1
"B"	Series 1993A Facilities Description and Purchase Price

37. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

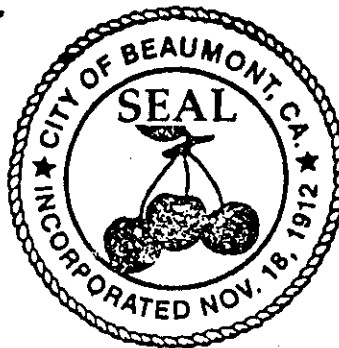
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

COMMUNITY FACILITIES DISTRICT  
NO. 93-1 OF THE CITY OF BEAUMONT

By: Jan Leys  
Mayor of the City Council, Ex  
Officio the Legislative Body of  
City of Beaumont Community  
Facilities District No. 93-1

ATTEST:

By: Julia White (deputy)  
Clerk of the City Council, Ex  
Officio the Legislative Body of  
City of Beaumont Community  
Facilities District No. 93-1



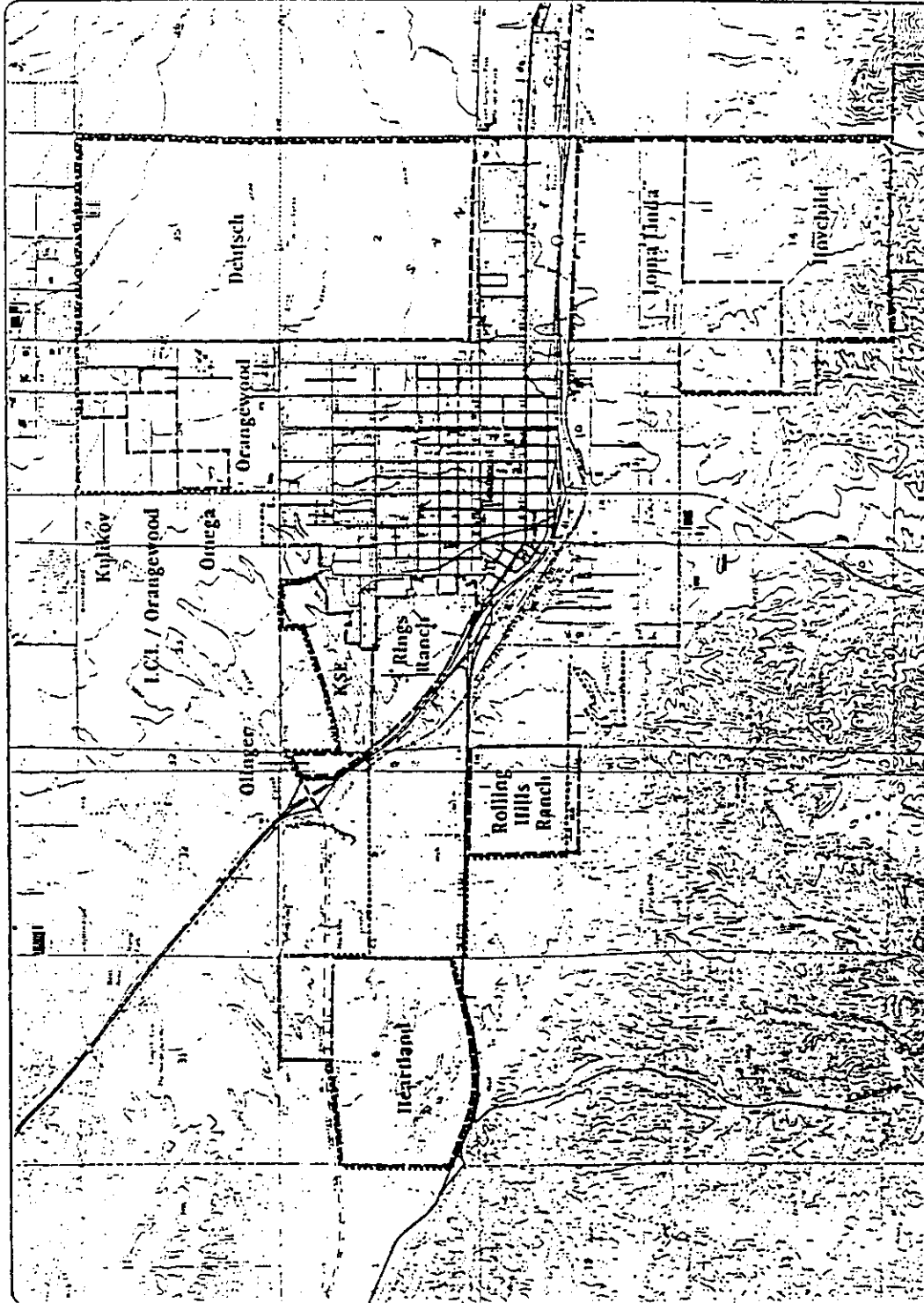
BEAUMONT CHERRY VALLEY WATER  
DISTRICT

By: Claretha Russell  
President

ATTEST:

By: C. J. Butcher  
Secretary

# EXHIBIT "A"



## Participating Projects Series "A"

..... City Boundary

This map shows proposed  
CED boundaries which are  
subject to modification including  
deletions and additions of property  
by means of annexation or other  
methods.



Exhibit No. 1

## City of Beaumont Public Facilities Financing Plan



## EXHIBIT "B"

### COMMUNITY FACILITIES DISTRICT NO. 93-1

#### SERIES 1993A FACILITIES<sup>1</sup>

##### A. County of Riverside

1. Intersection of Heartland Access and San Timoteo Canyon Road (Design/Permitting Only)
  - Estimated Cost: \$ 75,000
2. Grade Separation of Heartland Access and Railroad serving San Timoteo Canyon Road (Design/Permitting Only)
  - Estimated Cost: \$150,000
3. Transition to Grade Separation of Southwest Properties Access to State Highway 60 at Jack Rabbit Trail and/or 1 ± Mile east of Jack Rabbit Trail (Design/Permitting Only)
  - Estimated Cost: \$ 75,000

##### B. Riverside County Flood Control and Water Conservation District

1. Bridge Crossing of Heartland Access at San Timoteo Canyon Road (Design/Permitting Only)
  - Estimated Cost: \$150,000
2. Marshall Creek between Cougar Avenue and State Highway 79 (Beaumont Avenue)
  - Estimated Cost: \$1,500,000

<sup>1</sup> Includes all estimated costs required for facilities construction including engineering, planning, environmental, project management, plan check, inspection, contingency, surveying, geographical information system, issuance costs and certain administrative costs.